



JLARC BRIEFING REPORT

JLARC Points to Substantial Savings and Avoided Costs

In more than 75 reports with over 300 recommendations since 1990, JLARC has linked substantial savings and avoided costs to the implementation of recommendations from its performance audits, sunset reviews, program evaluations, and special studies. These savings fall into three categories—**one-time** efficiencies, **ongoing, annual** savings, and additional **potential** annual savings if JLARC recommendations were fully implemented. To track whether or not state agencies are implementing its recommendations, JLARC periodically follows up on the results of its studies.

- One-time savings, cost
avoidances, or efficiency
savings **\$339 million**
(One-Time)
- Annual ongoing actual
savings or realized cost
avoidances **\$73 million**
(Annually)
- Annual ongoing potential
savings or cost avoidances if
recommendations were
implemented **\$145 million**
(Annually)

Explanatory Note: The assumptions underlying these dollar figures lead to generally conservative estimates. For example, with a range of dollar amounts, the low-end or mid-point estimate is used. Also, all dollar amounts are "present value" calculations.

New Sunset Law Strengthens Legislative Oversight

Old Sunset Law. Since 1977, JLARC has conducted over 100 sunset reviews under Washington's Sunset Law. Three-fourths of these reviews yielded terminations or modifications of state programs, policies, or agencies. Without legislative action to reauthorize it, this law itself was scheduled to sunset on June 30, 2000. Members of JLARC, in order to strengthen and update the sunset process, sponsored sunset legislation in the 2000 Session.

New Sunset Law. The Washington Legislature has enacted, and Governor Locke has signed, Substitute **House Bill 2441**, which will put into place a strengthened Sunset Law with a major emphasis on assessing and verifying performance in state government. This "front-end" approach gets agreement on performance indicators to be tracked, gives sufficient time to establish a performance record, and puts the burden of demonstrating performance on the affected agency, program, or policy.

How Will It Work? For example, Engrossed Substitute **Senate Bill 6264**, creating an intermediate driver's license in 2001 for those between the ages of 16 and 18, will sunset in 2008. Under the new Sunset Law, JLARC will carry out a review of this policy in 2007, using performance measures and data provided by the Department of Licensing and the Traffic Safety Commission. During 2001, these agencies will present their performance measures, and accompanying data collection plan, to JLARC for review. Those measures, if approved, will be the basis for the review that JLARC will carry out in 2007. Then, based on its review of a record of performance, JLARC will recommend continuation, modification, or termination of this policy.

Joint Legislative Audit and Review Committee (JLARC)

JLARC carries out objective performance audits, program evaluations, sunset reviews, and special studies on behalf of the legislature and citizens of Washington. The Committee makes recommendations to state agencies and the legislature targeted at cost savings and improved performance. Studies are mandated in budget or policy legislation, or are included in JLARC's biennial work plan (*see RCW 44.28.083*) with input from legislators, legislative staff, and appropriate executive agencies. JLARC has done over 350 performance audits and program evaluations since 1973. For further information, contact staff at the Committee's office:

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